



ENERGY CHARTER DISCLOSURES FY19/20 We are pleased to share with you our second set of Energy Charter Disclosures, setting out how we delivered outcomes for our customers and the communities in which we operate during the fiscal year 2019/2020.

The cultural change that the Energy Charter is seeking to drive has risen in importance during an extremely challenging year for all Australians; first with the summer bushfires, then compounded by the global pandemic. In response, we have seen encouraging signs of collaboration from the energy sector to respond to community needs; delivering support, while maintaining safe and reliable operations.

We are proud of how our business has responded to these challenges. We consistently looked for new ways to support our customers facing vulnerability in this historic time of need—going well beyond what was required by regulators.

We have seen the value of engagement and collaboration in driving our business to improve and make a difference for customers across the sector. We aspire to lead the industry in openly and transparently engaging our key stakeholders; collaborating with them to meet their needs and to deliver the best outcomes for our customers, and the communities in which we operate. We also strive to innovate to meet the expectations of our customers, both to find ways to deliver improved customer service, and to enable Australia's transition to a lower carbon future.

The Energy Charter has played a key role in increasing customer focus within our own business, and across the sector. We are proud to have contributed strongly to the leadership of the Energy Charter from its inception, in particular this year through our significant involvement across the Better Together Initiatives. We look forward to continuing to elevate the role of crosssector collaboration in delivering customer outcomes in the coming year In submitting these Disclosures, we would like to convey our thanks to all of our people, whose efforts delivered the outcomes we report. We thank our Jemena Electricity Network and Jemena Gas Network Customer Councils who—in addition to providing ongoing strategic guidance on our customer journey—provided input into the maturity self-assessment process this year. We thank our Energy Charter community of businesses, and customer representatives from across the sector. Finally, and most importantly, we thank our 1.7 million customers, and the communities in which we operate, who are the reason we continue to exist.

We are immensely proud of what we have delivered this year, and we look forward to more collaboration in the coming year to live up to the vision of the Energy Charter: Together, deliver energy for a better Australia.





Frank Tudor Managing Director

Jiang Longhun

Jiang Longhua Chair of the Board

WHAT DID WE SAY, AND WHAT DID WE DO?

Last year we identified customer-focused cultural change, cross-sector collaboration, sustainability, and customer experience of outages, as areas with room for improvement in our business.

Cultural change and cross-sector collaboration:

We invested heavily in embedding the Energy Charter, and its spirit of collaboration throughout our business, participating in 7 of 12 Better Together Initiatives, and holding leadership positions in most key working groups. We also invested more in better understanding our customer needs and sharing our insights across the sector. We also led and disseminated research on the impacts of COVID-19 on our electricity customer base, and shared consumption-trend analysis across the sector to inform broader responses.

Sustainability:

We were pleased to report on the progress we have made in our sustainability journey launching our first Sustainability Report, developing our Reflect Reconciliation Action Plan, and commencing the alignment of our business to the recommendations of the Taskforce on Climate-related Financial Disclosures—but recognise that we still have further to go. In the coming years we will be focusing on developing plans to raise our maturity, and on managing climate risk and carbon emissions.

Customer experience of outages:

We delivered improvements to our outage/supply interruption notifications, with over half of our electricity and gas network customers now receiving SMS notifications with relevant information to keep them informed. We have seen corresponding improvements in customer experience, while expanding the scope of our customer research to better understand and respond to pain points. In the coming year, we will look to consolidate and continue these improvements, while lifting our focus on the connection experience.









HIGHLIGHTS

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 Supporting our customers through COVID 19 Delivered proactive relief/deferral of network charges totalling \$3 million to 9,000 customers Using data insights to proactively help customers manage usage Provided PPE and technology resources to support vulnerable communities 	 Improving our customers' experie Delivering proactive customer communication in multiple languages outage notifications Providing batteries for support customers du outages Working with custom allow gas meter self- where meter access difficult 	nce susta ations repo s, SMS Dev Reco or life Con uring to re from reads Disc	ressing our inability journey nched first sustainabilit ort eloping our Reflect onciliation Action Plan mencing alignment ecommendations n Taskforce on late-related Financial closures	retrofitting to bring o meet eme needs Focusing developm gas in nor Developir carbon ga	o market Ing new, and g existing assets n supply and erging customer on enabling the leent of onshore thern Australia Ing zero Is projects, porting market	 Industry-leading consumer and community engagement Demonstrated industry leading approach to understanding and responding to community needs during COVID-19 Initiated industry working group to enhance pipeline information disclosures 	 Investing in the Energy Charter and Better Together Initiatives Participated in 7 of 12 Better Together Initiatives Held leadership positions in most key working groups/ committees
Districts		Our	self-assessed mat	urity		R	oom for improvem
Principles	Elementary	Emerging	Evolved	Empowered	Exceeding		
Principle 1: We will put customers at the centre of our business and the energy system			FY19/20 FY22/23			****	
Principle 2: We will improve energy affordability for customers		FY19/20	FY22/23			Customer experience Digitising customer experience tailored to	Raising the bar on safety and sustainability • Developing plans to raise
Principle 3: We will provide energy safely, sustainably and reliably		FY19/20	FY22/23			 Raising focus on delivering a smooth and timely 	 Developing plans to faise maturity, and to manage climate risk and carbon emissions.
Principle 4: We will improve the customer experience		FY19/20		► FY22/23		 Lock-in new normal level of service for life-support 	Continue focus on raising our safety maturity
Principle 5: We will support custome	rs		FY19/20			customers	

FY22/23

Key customer outcomes

Key drivers to make a difference

- Creating Solar Friendly Neighbourhoods projects Progressed strong pipeline of innovation projects

Investing in innovation Delivering our Western Sydney Green Gas, and

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facing vulnerable circumstances

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Keep focus on reducing costs

- Continue working to bring down costs in line with customer expectations.
- Continue focus on energy investment to bring prices down for customers

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A SNAPSHOT OF OUR CUSTOMERS

🤌 Jemena Gas Network	Total number of customers	Total consumption (petajoules)
Residential: Non-business home-owners or tenants using gas mainly for heating, hot water and cooking.	1.37 million (97%)	26.1 (30%)
Commercial: Small business and commercial properties using gas for space heating (offices, shopping centres), water heating, and commercial cooking.	36,500 (3%)	13.3 (15%)
Industrial: Mainly representing chemical production, manufacturing and electricity generation.	400 (0.03%)	47.9 (55%)
Total	1.4 million	87.3

Residential Segments

Life support customers	~5,500 households
Speak a language other than English at home	~363,000 households (26.5%) ¹

Note: All numbers for FY19-20 unless otherwise specified

¹ Based on 2016 ABS census data for NSW.

² Based on the weighted average of each of the communities in our network area based on 2016 ABS census data presented in the summary of our 2018 People's Panel

³ As at May 2020, based on a survey of a representative sample of 921 of our customers.

Jemena Pipelines

Jemena Pipennes	Total customers*	Volume (per year)
Producers: Seek a route to market for their product.	10	Up to 85 petajoules
Retailers: Aggregate demand from hundreds of thousands of households and businesses.	12	Up to 50 petajoules
Industrial Users: Use gas as a feedstock because of its chemical properties or because it can cheaply and rapidly heat to very high temperatures required for many industries	16	Up to 10 petajoules
Gas Fired Generation: Gas is used to generate electricity in all states in Australia to meet peak demand, provide baseload power, and deliver system strength and security	5	Up to 7 petajoules
LNG Exporters: The newest market segment, LNG Exporters developed their businesses rapidly from 2012, resulting in one of the world's largest LNG export industries.	2	Up to 40 petajoules

*Due to the integrated business models of gas our gas shippers, it is not possible to precisely allocate customer numbers and volumes by segment. For example Origin is a domestic retailer, industrial retailer, gas fired power generator, producer, and is involved in an LNG export Joint Venture.

Jemena Electricity Network	Total number of customers	Total consumption (gigawatt hours)
Residential: Non-business home-owners or tenants using electricity mainly for heating and cooling, appliances and lighting.	332,940 (92%)	1,411 (35%)
Commercial: Small business and commercial properties using electricity for heating, cooling, lighting, and operation of their equipment.	27,225 (8%)	607 (15%)
Industrial: Mainly representing manufacturing, large infrastructure facilities, and data centres.	1,474 (0.04%)	2,062 (51%)
Total	361,639	4,080

Residential Segments

Life support customers	~4,500 households
Speak a language other than English at home	77,000 households (23%) ²
Receiving JobKeeper or JobSeeker	~90,000 households (~27%) ³
Solar customers – households	~40,000 households, ~155 megawatts of capacity
Solar customers – Commercial and industrial	~1,300 businesses, ~38 megawatts of capacity*

Our high-level stakeholder landscape



Engagement approach

We aspire to lead the industry in openly and transparently engaging our customers and other key stakeholders to meet their needs and deliver the best outcomes for our customers, and the communities in which we operate.

Engagement tools

We use a range of engagement tools to understand the diverse and evolving needs of our customers and other key stakeholders, and to share our understanding across the sector.

- Regulated networks: Regulatory price resets, People's Panel/ deliberative forums, Customer Councils, customer advisory around COVID, large user forums, reputation surveys, active Energy Charter participation, call centres, customer feedback received in real time
- **Pipelines:** Regular communications with our customers, information disclosures, reputation survey, community partnerships, active Energy Charter participation, local industry development plans, and more
- **Ovida:** Regular communications with our customers, reputation survey, customer surveys, community trials

- We are working to better understand and respond to our customers' needs, sharing that information across the sector. We developed a range of products to meet emerging needs (see Principle 4), and led and disseminated research, and consumption trend analysis in our Jemena Electricity Network (JEN) to better understand the COVID-19 lived experience for our customers (with a focus on vulnerable customers) and encourage the sector to respond. We engaged a group of customer advocates, and with small retailers to inform our COVID-19 customer response, including our proactive network relief package (see Principle 2). In our Jemena Gas Network (JGN) we have rolled out data loggers to over 900 households to measure 15 minute consumption to better understand customer needs. We have shared our insights from this analysis with our Customer Council, and the Australian Energy Regulator (AER).
- We are investing in collaboration to raise customer focus internally and across the sector. We invested heavily in embedding the Energy Charter, participating in 7 of 12 <u>Better Together Initiatives</u>, and holding leadership positions in most key working groups.
- We are conscious that customer outcomes and service can be improved by higher levels of employee engagement. In 2019 employee engagement remained below our historical level of 2017 as our two-year group restructure was completed (see key metrics).
- We are placing more value on diversity, to drive better customer and community outcomes. We developed, and will launch our Reflect Reconciliation Action Plan (RAP) in late 2020. We were approved as an endorsed employer for women under <u>WORK180</u>, a network for businesses that support diversity, inclusion and equality.
- We pivoted our corporate partnerships giving to support community needs in a challenging time. We
 continued support for community education and energy literacy programs, and offered a new community
 grants approach and in-kind donations (see our 2019 Sustainability Report, key metrics, and Principle 5).

Our commitments for the future

- We will focus on consolidating our maturity and embedding customer focus, while still aiming to set the industry standard for customer engagement.
- We will lift our focus on diversity and improving employee engagement.
 We will implement our RAP, and have diversity and inclusion plans for each part of the business. We will focus on supporting our employees as we transition to a COVIDnormal way of working.
- We will explore ways to grow the scope of our corporate partnerships to better support our customers and the communities where we operate.

Our maturity self-rating

FY19/20	FY22/23 aspiration
Evolved	Evolved

Our key metrics

Corporate reputation score				
2018 2019				
73.6	75.5			

Employee engagement				
2017 2018 2019				
72%	60%	60%		

Corporate partnership giving				
2018 2019 2020*				
\$586,000	\$443,000	\$640,000		

*Forecast

Note: This is direct funding and donations only, and excludes in-kind volunteering, program management and overheads.

- We proactively delivered bill relief to customers during COVID-19. We collaborated to deliver two packages of network charge relief/deferral by energy networks. In JEN and JGN, we provided \$3 million of relief/deferral to 9,000 customers up to 30 June. We consistently went over and above regulatory requirements to support our customers. This included offering support to affected commercial and industrial customers in JEN, extending coverage when the first package expired but before new rules were in place, forgoing the 3% interest on deferred balances allowed by regulators, extending support to JGN (gas networks were not covered by regulations), and delivering support in JEN before being required by the state regulator.
- Our regulated network tariffs are due to decline, and we are working to design systems to drive greater efficiency, and keep prices affordable now and into the future. Our JGN 2020-25 plan has now been approved, with a typical residential customer likely to save \$244 over the five-year period (in 2020 dollars). Our JEN 2021-26 proposal will receive a final decision in 2021 and is also expected to result in lower charges. While a large proportion of the decreases are due to a lower regulated cost of capital, we are driving additional reductions by looking to connect more customers and building in ongoing productivity improvements into our operating expenditure forecast. Our new JEN time-of-use tariff will allow those who consume at off-peak times to save on their bills.
- We are investing to bring on new gas supply and to make the market more flexible. Significant investments include: completed construction and <u>commenced commercial operation</u> of the Atlas Gas Processing Facility in Queensland; <u>acquired</u> the Roma North Gas Processing Facility in Queensland; <u>re-commissioned</u> the Rolleston Meter Station to connect Denison Gas in Queensland; enabled flow of gas from the recently reinstated Orbost gas plant into our Eastern Gas Pipeline (EGP) in Victoria. We have been <u>developing plans</u> to link a proposed import terminal in Port Kembla to our EGP in NSW, and AEMO <u>recognised</u> the ability of the QGP to meet firm flows in both northern and southern directions and determined it as bidirectional across a major part of its length. We have also been developing a pipeline of zero-carbon gas projects (see Principle 3), and advocating for renewable gas market development.

Our commitments for the future

- We will continue to deliver proactive support to customers impacted by COVID-19. We continue to work and proactively support our customers. Under our voluntary relief package, eligible customers of JEN and JGN will continue to be able to access network fee relief and deferral via their retailer in FY20/21.
- We will continue to provide gas transportation services at stable and predictable prices. Our pipeline reference tariffs will continue to be set following the methodologies set out on our website, where all escalate

by CPI or less.

We will continue working to bring costs in line with customer expectations, and invest to bring energy supply to market. Our pipelines business will work to enhance flexibility in the gas market by working to make the EGP bidirectional, and to link it in with the international market to bring more affordable gas to Victoria and New South Wales.

Our maturity self-rating

FY19/20	FY22/23 aspiration		
Emerging	Evolved		

Our key metrics

Typical residential customer network and metering charges (nominal)						
17/18 18/19 19/20 20/21						
JGN	\$273	\$270	\$274	\$222		
2017 2018 2019 2020						
JEN	\$458	\$423	\$433	\$451		

Firm Forward Haulage Tariff (nominal)					
	2017	2018	2019	2020	
QGP	\$0.9857	\$1.0037	\$1.0226	\$1.0397	
DDP134	Did not own	\$0.2100	\$0.2137	\$0.2177	
EGP	\$1.2615	\$1.2814	\$1.3005	\$1.3204	
NGP*	n/a	n/a	\$1.4985	\$1.5261	
Vichub	\$0.0706	\$0.0716	\$0.0726	\$0.0737	

*NGP tariff relates to transportation only, and excludes nitrogen processing

- We have maintained employee and customer safety through the east-coast bushfires, and COVID-19. We maintained our safety performance in line with targets and provided a safe work environment through significant disruptions. During the summer bushfires, over 130 of our JGN and pipelines staff worked through the holiday period to help ensure the safety of our customers and our assets, and reinstate supply when danger had passed, while managing more emergency-level events in three weeks than we would see in a typical year. During COVID-19, we maintained critical functions while limiting the potential exposure of our people and the community. We worked with customers to allow gas meter self-reads where meter access is difficult (see Principle 4). We also collaborated with Worksafe and Metro Trains to develop <u>Simplify</u> which helps design workplace solutions that improve the mental health and wellbeing of frontline workers.
- Our carbon emissions and intensity increased and we have started work to understand climate risk for our business. Our carbon emissions increased in 2018/19 due to commissioning of our Northern Gas Pipeline (NGP). The NGP initially had higher emissions than expected, but this was rectified in the latter half of 2019. Overall carbon intensity consequently increased (see key metrics). Our 2019/20 emissions will be submitted in Q4 2020 and are expected to decrease in absolute terms and in emission intensity. This year we began assessing alignment to the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), and we published our first sustainability report.
- We maintained reliability in line with customer expectations during COVID-19, and focused on improving customer experience of reliability. Customer reliability was particularly important during COVID-19 as people transitioned to working and schooling from home. We maintained reliability, and reprioritised maintenance and planned outage schedules to meet customer needs, while transitioning to a new way of working ourselves. As with last year, we invested in improving our customers' experience of reliability (see Principle 4) yet we have fallen short of customer expectations in the connection process in JEN and JGN (see key metrics).
- We are innovating to enable Australia's transition to a cleaner energy system. Our customers expect us to innovate to enable the energy transition. We progressed our <u>Western Sydney Green Gas Project</u> (including the provision of hydrogen for <u>refuelling</u>) and our <u>Creating Solar Friendly Neighbourhoods</u> <u>Project</u>, and unveiled an <u>electric cherry-picker truck</u>. We invested in research to better understand, and communicate the role that gas and gas infrastructure has in enabling Australia's energy transition by supporting the Future Fuels Cooperative Research Centre, proactively advocated for renewable gas market development, and contributed to the update of <u>Gas Vision 2050</u> due out in Q4 2020. Ovida <u>launched</u> the first microgrid under their Community Energy Hubs project, making a solar and battery system available to a 52-resident community housing apartment building.

Our commitments for the future

 We will continue improving our safety and sustainability focus and reporting. We will continue our TCFD process, and continue investing in innovation to enable the energy transition. This year we expect to announce new projects in biomethane, and enabling electric vehicles.

Our maturity self-rating

FY19/20	FY22/23 aspiration	
Emerging	Evolved	

Our key metrics

Group Total Recordable Injury Frequency Rate (TRIFR)				
17/18	18/19	19/20		
5.1 5.9		3.4		

Carbon emissions (ktCO2e)				
16/17	17/18	18/19		
770	747	931		

Carbon intensity (tCO2e/terajoule energy delivered)			
16/17	17/18	18/19	
2.15	1.63	1.77	

Pipeline reliability score				
2018 2019 2020*				
99.7%	99.3%	99.4%		

*To 30 Jun

Note: Reliability averaged across our operating pipeline assets during the relevant year

% of basic existing home connections completed in 20 business days (JGN)				
2018	2019	Jun-2020		
94.8%	99.0%	99.6%		

% of basic connections completed in 10 business days (JEN)				
2018	2019	Jun-2020		
98.2%	99.0%	98.0%		

- We developed products and services during COVID-19 to meet new customer needs.
 We analysed smart meter data in JEN to identify and communicate with customers whose electricity use dramatically changed. Customers with higher usage were sent an SMS with details on how to track their usage via our website, while those with lower usage were mailed information about bill support and free over-the-phone energy advice. In JGN we worked with customers to develop a multilingual portal to allow gas meter self-reads where meter access is difficult. We summarised support available on our website in multiple languages.
- We dramatically improved our outage communications, while working to improve communications across the sector. We know that our customers' experience of an outage is improved if we send them relevant information via SMS in addition to the traditional card in the letter box for a planned outage. From zero last year, around 50% of our JGN, and 70% of our JEN customers are now receiving SMS notifications with updates around planned and unplanned outages/ supply interruptions. We led the development of the Energy Charter <u>Communal Content Hub</u>, and the <u>We've Got You</u> campaign to help share best practice and build trust in the sector.
- Our network customers are happier with our service, and we're looking to understand their needs in more detail. We expanded our measurement of customer satisfaction to include planned outages in JEN. We have seen year-on-year improvements in most measures (see key metrics for a selection). Yet the connection process in JEN and JGN remains below customer expectations, with unacceptably high rates of rejections, escalations, and need for repeated calls by the customer.
- We initiated an industry working group to enhance pipeline information disclosures. We worked
 with the Australian Pipelines and Gas Association (APGA) and our industry peers to conduct a
 workshop with customers to hear and understand their information needs. Following that workshop,
 we co-designed a web page to better meet customer needs, and initiated a joint Australian Energy
 Market Operator (AEMO) and APGA "101" training program for customers (currently being developed)
 to assist customers to understand and access pipeline information.

Our commitments for the future

- We will raise our focus on digitising experience tailored to customers' needs. We will focus on the customer connection experience, empowering customers to digitally selfserve, while improving end-to-end communications. We will continue working to better understand our customer satisfaction, including by measuring customer satisfaction of outages, and self-reads in JGN. We will collaborate with customers, builders, and other stakeholders to codesign improvements in our connection process.
- We will keep working to improve two-way communications between the pipeline industry and our customers. At a sector level, we will continue our work on the information disclosures Better Together Initiative. In our business, we will significantly expand the participation of our pipeline customer and stakeholder survey to better understand and respond to needs.

Our maturity self-rating

FY19/20	FY22/23 aspiration	
Emerging	Empowered	

Our key metrics

Customer net promoter score				
	2017	2018	2019	
JGN	-29	-17	-3	
JEN	-31	-15	-7	

Journey CSAT for outage (JEN)				
Planned	N/A	9.3		
Unplanned	8.5	9.0		
*Forecast				

Ombudsman referrals + cases			
	17/18	18/19	19/20
EWON	215	178	89
EWOV	438	408	279

- We raised the bar for service for life-support customers. In an Australian-first, we are providing free loans of backup batteries to life support customers during planned outages in JEN. We have also focused on improving communications with life-support customers through our website, SMS-notifications, and in understanding needs through a survey of over 200 life-support customers delivered by the Australian Energy Foundation.
- We stepped up to proactively support customers at risk of vulnerability due to COVID-19. As COVID-19 began to hit Australia, we developed our support package targeted at customers impacted by COVID-19 (see Principle 2), and halted disconnections due to non-payment (before being required to by regulators). Ovida developed a hardship payment plan for small businesses that signed up to their Power Purchase Agreements. As the impacts continued, we extended our package of support, and provided in-kind donations in Victoria to support vulnerable communities including laptops to support the first phase of home schooling, and masks and hand sanitiser. In JGN we withdrew meter readers from sites where we could not socially distance and put in place alternative mechanisms for customers to provide reads via web portal (in 6 languages), email or phone (for vulnerable customers). We also got a no action letter from AER to support us treating these reads as actuals to help our customers avoid bill shock.
 - We worked to inform energy customers at risk of vulnerability about support available. We knew from our research that awareness of support available was low, so we ensured support available to our customers from the sector was available on our website in multiple languages, proactively provided advice to customers whose usage had changed (see Principle 2), and provided tailored energy advice (see below). We collaborated to support customers by chairing the weekly Energy Charter COVID-19 information sharing forum, and developed and translated materials for the communal content hub and the We've Got You campaign. We worked to actively push these messages out on our social media channels to reach customers on platforms that they use.
 - We increased our investments in consumer education, pooling resources to increase reach. We continued our Power Changers Community Connections program in Victoria, partnering with Uniting and the Australian Energy Foundation to provide home energy consults; moving to phone-consults as COVID-19 took hold delivering advice to better understand their bills, make their homes more energy efficient, and check they are receiving all available concessions and discounts. In New South Wales we developed a plan to partner to improve energy literacy in culturally and linguistically diverse (CALD) communities by delivering a 'train the trainer' by <u>Voices for Power</u>.

Our commitments for the future

- We will develop a new life-support customer action plan to better meet their needs, informed by their feedback.
 - Having raised our level of support to customers facing vulnerability this year, we will look to consolidate these improvements into our business-as-usual. We will engage with our Customer Councils and other key stakeholders to understand how we should best to support customers facing vulnerable circumstances going forward.

Our maturity self-rating

FY19/20	FY22/23 aspiratior	
Evolved	Evolved	

Our key metrics

Life support breaches			
	17/18	18/19	19/20
JGN	0	0	0
JEN	1	3	1



For any comments, questions or feedback about our Energy Charter Disclosures, please contact John.Cheong-Holdaway@jemena.com.au.